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NIO No. 1707-76

29 October 1976

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Garrett Barnett (phonetic)  
of Internews

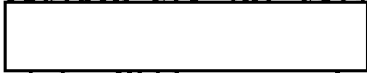
1. On 28 October Garrett Barnett of Internews in California phoned my office long distance. He said he had just read the 25 October Aviation Week article on the approval of the sale of the CDC Computer to the PRC. He said he had information that there had been a struggle between Dick Solomon of the NSC and Winston Lord of State on this matter and Solomon had left his NSC job. He asked me if I could confirm this. I said I knew nothing about it.

2. He said this information on a defense related sale to the PRC was counter to President Ford's statement in his foreign policy debate with Carter to the effect that he would never sell arms to China. He went on that the release of the item at this time after the purge of the radicals could have been an appeal on the U.S. side to the new moderate leadership in China. I did not comment on either of these points.

3. He said he had talked to State and State said the sale would require Congressional approval under the Munitions Controls Act. He said he didn't believe this.

4. I asked him who gave him my name and he refused to tell me.

5. I phoned Harry Thayer of PRCM in State and informed him of the above. He expressed appreciation for the alert.

  
James R. Lilley  
National Intelligence Officer  
for China

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